

WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

NASHVILLE CITY CENTER

511 UNION STREET, SUITE 2100

Post Office Box 198966

NASHVILLE, TENNESSEE 37219-8966

(615) 244-6380

FAX (615) 244-6804

www.wallerlaw.com

RECEIVED

2004 APR 14 PM 3:50

WALLER LANSDEN DORTCH & DAVIS
A PROFESSIONAL LIMITED LIABILITY COMPANY

809 SOUTH MAIN STREET

Post Office Box 1035

COLUMBIA, TENNESSEE 38402-1035

(931) 388-6031

WALLER LANSDEN DORTCH & DAVIS, LLP
AFFILIATED WITH THE PROFESSIONAL LIMITED LIABILITY COMPANY
520 SOUTH GRAND AVENUE, SUITE 800
LOS ANGELES, CALIFORNIA 90071
(213) 362-3680

D. Billye Sanders
(615) 850-8951
bsanders@wallerlaw.com

April 14, 2004

VIA HAND DELIVERY

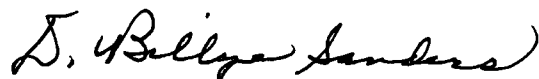
Deborah Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

Re: In the Matter of the Application of Southern Digital Network, Inc. d/b/a FDN Communications for a Certificate of Convenience and Necessity to Provide Competing Local Telecommunications Services and to Provide Facilities-Based and Resold Interexchange Telecommunications Services in Tennessee
Docket No. 04-00095

Dear Chairman Tate:

Enclosed you will find the original and thirteen (13) copies of the Surety Bond for Southern Digital Network, Inc. d/b/a FDN Communications pursuant to T.C.A. § 65-4-125(j).

Sincerely,



D. Billye Sanders

DBS/hmd
Enclosures

cc: Matthew J. Feil, Esq.
Brett P. Ferenchak, Esq.

Enclosure

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 3-741-908

WHEREAS, Southern Digital Network, Inc. d/b/a FDN Communications (the "Principal"), has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"), and

WHEREAS, The Ohio Casualty Insurance Co. (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated,

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000 00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 12th day of April, 2004, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000 00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

Southern Digital Network, Inc.

d/b/a FDN Communications

Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL



Name: Michael P. Gallagher

Title: President and Chief Executive Officer

SURETY

The Ohio Casualty Insurance Company

Name of Surety

Hamilton, Ohio

Address of Surety

SIGNATURE OF SURETY AGENT



Name: Stephen A. Simms, A Licensed Tennessee Non

Title: Attorney-in-Fact & A Licensed Florida

Address of Surety Agent: Resident Agent

Cooper, Simms, Nelson & Mosley, Inc.

P.O. Box 1480, Winter Park, FL 32790

(407) 644-8689

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

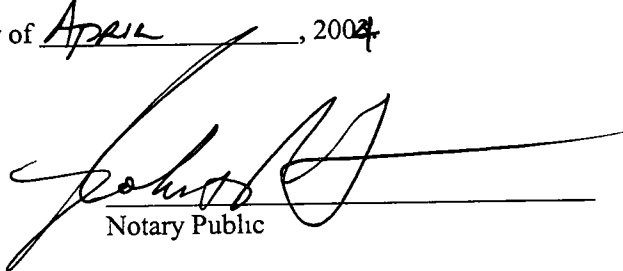
STATE OF FLORIDA
COUNTY OF ORANGE

Before me, a Notary Public of the State and County aforesaid, personally appeared Michael P. Gallagher with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Southern Digital Network, Inc d/b/a FDN Communications, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 12 day of April, 2004

My Commission Expires:

ROBERT B. SIMMS
Notary Public, State of Florida
My comm. exp. May. 8, 2005
Comm. No. DD 023871


Notary Public

ACKNOWLEDGMENT OF SURETY

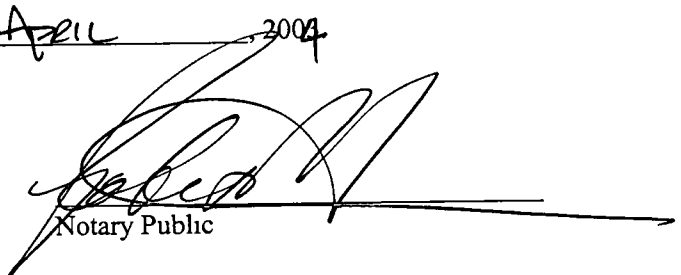
~~FLORIDA~~
STATE OF ~~FLORIDA~~
COUNTY OF ORANGE

Before me, a Notary Public of the State and County aforesaid, personally appeared STEPHEN A. Simms with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Ohio Casualty Ins Co., the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual

WITNESS my hand and seal this 12 day of April, 2004

My Commission Expires:

ROBERT B. SIMMS
Notary Public, State of Florida
My comm. exp. May. 8, 2005
Comm. No. DD 023871


Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20__.

Name:
Title:

CERTIFIED COPY OF POWER OF ATTORNEY
THE OHIO CASUALTY INSURANCE COMPANY
HAMILTON, OHIO

No 32-891

Know All Men by These Presents: That THE OHIO CASUALTY INSURANCE COMPANY, in pursuance of authority granted by Article VI, Section 7 of the By-Laws of said Company, does hereby nominate, constitute and appoint B. A. Simms or Larry H. Mosley or Stephen A. Simms or James R. Havron, Jr. or Robert B. Simms or Sandra K. Peery or R. H. Dotherow, Jr. or Winter Park, Florida its true and lawful agent (s) and attorney (s)-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all BONDS, UNDERTAKINGS, and RECOGNIZANCES, not exceeding in any single instance TWO MILLION (\$2,000,000.00) DOLLARS, excluding, however, any bond(s) or undertaking(s) guaranteeing the payment of notes and interest thereon

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Hamilton, Ohio, in their own proper persons

The authority granted hereunder supersedes any previous authority heretofore granted the above named attorney(s)-in-fact.

In WITNESS WHEREOF, the undersigned officer of the said The Ohio Casualty Insurance Company has hereunto subscribed his name and affixed the Corporate Seal of the said The Ohio Casualty Insurance Company this 30th day of January, 1998.



Sam Lawrence

Sam Lawrence, Assistant Secretary

STATE OF OHIO,
COUNTY OF BUTLER

On this 30th day of January, 1998 before the subscriber, a Notary Public of the State of Ohio, in and for the County of Butler, duly commissioned and qualified, came Sam Lawrence, Assistant Secretary of THE OHIO CASUALTY INSURANCE COMPANY, to me personally know to be the individual and officer described in, and who executed the preceding instrument, and he acknowledge the execution of the same, and being by me duly sworn depose and saith, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at the City of
State of Ohio, the day and year first above written.

Hamilton,



Barbara Hoffman

Notary Public in and for County of Butler, State of Ohio
My Commission expires September 25, 2002.

This power of attorney is granted under and by authority of Article VI, Section 7 of the By-Laws of the Company, adopted by its directors on April 2, 1954, extracts from which read

"ARTICLE VI"

"Section 7. Appointment of Attorney-in-Fact, etc The chairman of the board, the president, any vice-president, the secretary or any assistant secretary shall be and is hereby vested with full power and authority to appoint attorneys-in-fact for the purpose of signing the name of the Company as surety to, and to execute, attach the corporate seal, acknowledge and deliver any and all bonds, recognizances, stipulations, undertakings or other instruments of suretyship and policies of insurance to be given in favor of any individual, firm, corporation, or the official representative thereof, or to any county or state, or any official board or boards of county or state, or the United States of America, or to any other political subdivision."

This instrument is signed and sealed by facsimile as authorized by the following Resolution adopted by the directors of the Company on May 27, 1970:

"RESOLVED that the signature of any office of the Company authorized by Article VI Section 7 of the by-laws to appoint attorneys in fact, the signature of the Secretary or any Assistant Secretary certifying to the correctness of any copy of a power of attorney and the seal of the Company may be affixed by facsimile to any power of attorney or copy thereof issued on behalf of the Company. Such signatures and seal are hereby adopted by the Company as original signatures and seal, to be valid and binding upon the Company with the same force and effect as though manually affixed."

CERTIFICATE

I, the undersigned Assistant Secretary of The Ohio Casualty Insurance Company, do hereby certify that the foregoing power of attorney, Article VI Section 7 of the by-laws of the Company and the above Resolution of its Board of Directors are true and correct copies and are in full force and effect on this date.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Company this 12th day of April, A.D., 2004



S-4300-CSG (12/96)

Mark E. Schmidt

Assistant Secretary